

April 30, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**PROPOSITION 218 ASSESSMENT BALLOTS - CITY OF SOUTH GATE
MAINTENANCE DISTRICT NO. 2 (STREET LIGHTING AND LANDSCAPING)
(FIRST) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Withhold support of the assessments on County-owned properties within the boundaries of the City of South Gate Maintenance District No. 2 for maintenance and operation of street lighting and landscaping at an annual cost of \$879, and direct the Chief Administrative Officer not to cast the ballots in connection with the assessments for the properties.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

As a result of the passage of Proposition 218, property owned by government agencies, including Los Angeles County, became subject to assessment by various County and non-County assessment districts on July 1, 1997. The County, like other property owners, is able to cast ballots supporting or opposing the assessments, and its ballots will be weighted to reflect its proportionate share of the total assessment.

One such district which is in the process of seeking property owner approval for an assessment is a proposed new street lighting and landscape maintenance district in the City of South Gate, identified as Maintenance District No. 2. Since the County owns property within the boundaries of this district, it has the right to participate in the balloting on the assessments. This is a City of South Gate assessment district and the public hearing on the proposed assessments is scheduled for May 13, 2002.

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The City of South Gate adopted a Resolution of Intention on March 11, 2002, to levy the proposed assessments, including the County-owned properties. The County properties which these ballots concern are under the proprietorship of the Fire Department (FD) (Fire Stations 54 and 57); Public Library (PL) (L.R. Weaver Public Library); Flood Control District (FCD) Imperial Maintenance Yard; and the Chief Administrative Office (CAO) as proprietor for the Superior Court (Court) (South Gate Courthouse). The services to be financed by the City's assessment district benefit the properties. However, due to the current controversy surrounding elected officials in South Gate and their management of City resources, we believe it is in the best interests of the local electorate to let them determine the outcome of the assessment election. Therefore, we are recommending that the Board take a neutral position on the matter and direct the Chief Administrative Officer to not cast our Ballots. If the assessment is endorsed by the South Gate electorate, the County will be subject to the maintenance district assessment, which is consistent with the Board's position in other similar Proposition 218 elections.

In order to be approved under Proposition 218, the majority of property owners who return their ballots will have to approve the proposed assessments with their ballots being weighted according to their individual assessments based on the size, location, type of improvements and benefits received by the property. The proposed district's total annual assessment amount is \$533,920 to provide for ongoing maintenance and operation of the street lighting system and landscaping in the City of South Gate Maintenance District No. 2 for Fiscal Year (FY) 2002-03.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we invest in public infrastructure, in order to strengthen the County's fiscal capacity. The benefit assessment levied against the County could potentially be supported in the future. However, at this time, when law enforcement agencies are investigating management issues in the City Treasurer's office, support for the benefit assessment levied against the County properties would not be a wise investment of County funds, and therefore does not comply with the Strategic Asset Management Principles (Goal 3, Strategy 3, Objective 3.3.2).

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FISCAL IMPACT/FINANCING

The total new assessment for FY 2002-03 to be levied on the subject County property occupied by the FD, PL, FCD, and Court is \$879 and continuing annually. The assessment may be adjusted annually for any increases in the Consumer Price Index, normal Southern California Edison Company energy increases, or a re-balloting of property owners. If passed, we propose to charge the assessments to the benefiting departments which have jurisdiction over the assessed parcels, except for the Court, for which the net costs are retained in the Special Assessments budget. Based on your Board's approval of other Proposition 218 assessments, this is in keeping with the current policy and practice of charging such assessments to the County departments occupying or deriving use from the assessed properties. The FD, PL, and FCD are aware of and support this financing plan. Future financing for approved assessments will be addressed as part of the annual budget process.

The financial impact of this increased assessment on the budgets of FD, PL, and FCD is not significant and can be absorbed within the departments' proposed FY 2002-03 budget appropriations.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Proposition 218, approved by the voters in November 1996, requires public agencies to send ballots to all affected property owners prior to increasing or imposing a new assessment. The agency cannot increase an assessment or impose a new assessment if a majority of the ballots returned oppose the proposed assessment. The ballots are weighted according to the proposed assessment amount of the properties. In addition, publicly owned properties will no longer be exempt from the assessment unless the parcels receive no special benefit.

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The City also sent ballots for assessments on several County Flood Control District parcels that include parts of the Rio Hondo Channel, Los Angeles River, Bandini Trunk, and a drainage easement. These parcels will not receive sufficient or practical benefit from the maintenance district's services and improvements to warrant these assessments and are therefore exempt. It has been the general practice of local jurisdictions to exclude Flood Control channels and appurtenances from benefit assessments procedures. The ballots for the exempted parcels were returned to the City.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
CWW:RC:jf

Attachments (6)

c: County Counsel
Auditor-Controller
Fire Department
Public Library
Public Works (Flood Control District)
City of South Gate-City Clerk